

## Changes to freedom of movement after Brexit – implications for Wales

### EAAL(5) FOM12 Evidence from Universities Wales

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Universities Wales welcomes this consultation into changes to freedom of movement after Brexit – the implications for Wales, to inform Welsh and UK Government thinking in this area. It is worth noting that on 9 September 2019 the UK Parliament was prorogued; with the session discontinued the UK Government will need to introduce new legislation in the next session to end freedom of movement.

#### Executive summary

- i. The EU plays a very important role in Welsh higher education in terms of student and staff recruitment; student and staff mobility; and research collaborations that exist between Welsh universities and European institutions. The proposed changes to freedom of movement in the UK Government's white paper, *The UK's future skill – based immigration system*,<sup>1</sup> presented serious challenges for Welsh universities.
- ii. Viewforth Consulting report published in 2017 using 2015/16 data details the economic benefit of EU students for Wales:
  - Every EU student generated £19.3k of Welsh output
  - One Welsh job was generated by every six EU students in Wales
  - Every EU student generated £9.3k of Welsh GVA<sup>2</sup>
- iii. In 2017/18 (the latest available data) there were 1,485 EEA nationals working in Welsh universities, accounting for 7% of the total workforce and this proportion rises to 11% amongst the academic workforce. In the same year, 7.5% of students in Welsh higher education institutions were from the EU.<sup>3</sup>
- iv. The UK Government's intention of ending freedom of movement on 31 October 2019<sup>4</sup>, in the event of a no-deal Brexit, has caused considerable uncertainty for the higher education sector, not least because the policy has been changed on three occasions. The most recent Home Office policy paper<sup>5</sup> was updated on 5 September; it outlines a new European Temporary Leave to Remain (Euro TLR) scheme. The new Euro TLR scheme

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<sup>1</sup> UK Government, White Paper, [The UK's future skills-based immigration system](#), December 2018

<sup>2</sup> Kelly, U and McNicoll, I, [The Economic Impact of International Students in Wales](#), Viewforth Consulting, November 2017

<sup>3</sup> Higher Education Statistics Agency 2017/18 dataset

<sup>4</sup> BBC news, [Brexit: Freedom of movement plan 'will create chaos'](#), August 2019

<sup>5</sup> UK Government, Home Office, [No deal immigration arrangements for EU citizens arriving after Brexit](#), September 2019

will require all EU nationals arriving after 31 October 2019 and staying after 31 December 2020 to apply for a free three-year temporary leave to remain visa. This proposal is likely to cause uncertainty for any students studying longer than three years.

- iv. The Erasmus+ student mobility programme faces particular risks as, despite the UK Government's underwrite guarantee of funding for Erasmus mobility<sup>6</sup>, there is still the possibility that spring semester placements for 2019/20 academic year, which have not yet been finalised, will be at risk. All Erasmus mobility for 2019/20 should be underwritten in full by the UK Government.
- v. The proposal to introduce a six-month post-study leave for all master's students and bachelor's students (and a year for those who have completed a PhD) is welcome, but does not go far enough and we have been lobbying for a two-year post-study work visa.<sup>7</sup>

## **1. What is your assessment of the implications for Wales of the UK Government's White Paper proposals on immigration after Brexit?**

- 1.1 The UK Government published its immigration white paper, *The UK's future skills-based immigration system*,<sup>8</sup> in December 2018. It set out a single immigration system for all, based on skills need rather than nationality with no preferential treatment for EU citizens. It also contained the UK Government's responses to both Migration Advisory Committee (MAC) reports on international students and EEA workers. The proposed system will come into effect after the proposed transition period, currently expected to last until the end of December 2020.
- 1.2 The importance of student mobility during academic programmes is highlighted in a Universities UK report which 'found that mobile graduates from the 2015/16 academic year were more likely to be in graduate employment or further study, more likely to have a higher starting salary, and had a lower unemployment rate than their non-mobile peers'.<sup>9</sup> Continued participation in the Erasmus+ programme is considered vital to maintain outward and inward mobility to Wales as well as playing an important role in links between Welsh universities and universities across Europe. If continuation in Erasmus+ is not possible then the UK Government must replicate the scheme across the whole of the UK with appropriate consultation with the devolved administrations.

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<sup>6</sup> UK Government, [Register to claim Erasmus+ and ESC funding from the government guarantee](#), April 2019

<sup>7</sup> Universities UK, [Parliamentary briefing: An improved post-study work system](#), September 2018

<sup>8</sup> UK Government, White Paper, [The UK's future skills-based immigration system](#), December 2018

<sup>9</sup> Gone international

1.3 It will be essential for Welsh universities to continue to maintain and increase ‘international links [which] create esteem and demonstrate the wider engagement and status of an institution, helping to attract students and staff from an international catchment’.<sup>9</sup> The draft Welsh Government international strategy highlights the importance of people to the strategy and the need for continued participation in Erasmus+.<sup>11</sup>

## **2. Is there a case for allowing the devolved nations to do things differently in relation to immigration policy after Brexit?**

2.1 The immigration white paper supports the MAC recommendation to offer a six-month poststudy leave to all master’s students and bachelor’s students (and a year for those who have completed a PhD). This is a positive step but is not as generous a post-study work visa as many of our competitors – Canada offer up to three years, Australia up to 18 months and the USA up to twelve months. Universities Wales is working with its parent body Universities UK to lobby UK Government for a two-year post study work visa.<sup>10</sup> If this is not forthcoming for the UK, Welsh Government should initiate discussions with stakeholders on the recommendation by the Children, Young People and Education Committee: ‘the Welsh Government should proactively demand, via any future UK Immigration Bill, executive powers for Welsh Ministers that allow them to make spatially different immigration rules specifically for students and academic staff in Wales’.<sup>11</sup>

2.2 Wales’ migrant population is proportionally lower than the rest of the UK. The Bevan Foundation highlights Wales’ aging population and its reliance on migration to maintain growth. If ‘Wales wants to continue growing its population and minimise the reduction in the numbers of people of working age, it will need to look to immigration, both from within the UK and outside of the UK.’<sup>12</sup>

## **3. What are your views on the proposal for a Wales-specific Shortage Occupation List?**

3.1 In May 2019 the MAC published its review of the Shortage Occupation List (SOL).<sup>13</sup> It recommended separate SOLs for Wales and Northern Ireland alongside the existing Scotland-only SOL. The review recommended a

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<sup>9</sup> Adams, J and Gurney KA, [The implications of international research collaboration for UK universities](#), February 2016

<sup>11</sup> Welsh Government, [International Strategy: draft for consultation](#), July 2019

<sup>10</sup> Universities UK, [Parliamentary briefing: An improved post-study work system](#), September 2018

<sup>11</sup> Children, Young People and Education Committee, [Degrees of Separation? The Impact of Brexit on Higher and Further Education](#), December 2018 (Recommendation 1)

<sup>12</sup> Bevan Foundation, [Demographic trends in Wales: An analysis of how migration influences Wales’ current and projected population](#), November 2018

<sup>13</sup> Migration Advisory Committee, [Full review of the Shortage Occupation List](#), May 2019

number of additions to the list, most relevant to the higher education sector are the addition of all biological scientists and biochemists, archaeologists, bio-informatician and informatician.

- 3.2 The MAC also recommended a review of the role of the SOL given that two of the main benefits of being on it (outside cap and no Resident Labour Market Test) will disappear under the future immigration system.
- 3.3 It is not clear how the MAC will operate in relation to the devolved administrations and whether they would manage the SOL for the devolved nations. If the Wales-only SOL is managed by the MAC it is difficult to see what the substantial benefits for a Welsh-only SOL would be.

#### 4. What are your views on the proposal to bring EU nationals into an expanded Tier 2, and ending any distinction between EU and non-EU workers?

- 4.1 The immigration white paper sets out the intention to improve and reform the current Tier 2 visa and sponsorship system for employers and to update the visitor rules. These proposals are aimed at accommodating the new single skills-based work route which will include EEA nationals for the first time.
- 4.2 Universities UK and Universities Wales hosted a roundtable with HR representatives from Welsh higher education institutions. The discussion explored existing issues on career progression and mobility of Tier 2 international staff, experiences of using the Sponsorship Management System and issues with the current visitor rules.
- 4.3 Most of the existing proposals to improve the visa system are welcomed; they will provide several benefits to improve recruitment, career progression and mobility for international staff on a Tier 2 visa in universities. Abolition of the Resident Labour Market Test and removal of the cap on numbers of skilled workers are particularly welcomed because their removal will reduce costs for institutions and speed up the recruitment process. While the lower skills threshold to include occupations at RQF 3-5 is also seen as an improvement. However, a major issue for Welsh universities is the proposed £30,000 salary threshold.
- 4.4 As proposed, the Tier 4, student route, would also benefit from a more streamlined approach to reduce burden and improve the user experience, thus promoting a more welcoming environment. The Home Office's recent decision to change its biometrics partner for UK Visa and Immigration services from the using the network of Post Offices to a much smaller network of centres run by Sopra Steria has caused considerable problems and a delay in visas being issued to incoming international students.

## 5. What are your views on the salary threshold of £30,000 for Tier 2 immigration and its implications for Wales?

- 5.1 In 2017/18 there were 1,485 EEA nationals working in Welsh universities, accounting for 7% of the total workforce. This proportion rises to 11% amongst the academic workforce. 365 EEA nationals in Welsh universities (25%) are earning less than £30,000.<sup>14</sup>
- 5.2 The £30,000 threshold would impact Welsh universities' scientific and research communities as well as their ability to recruit sufficiently qualified and skilled technicians and language assistants. If implemented, the £30,000 threshold would severely restrict the ability of Welsh universities to recruit EEA nationals to lab technician and language assistant roles leading to shortages and/or upward pressure on wages associated with these roles.
- 5.3 A salary threshold is problematic for the sector: salary is not a proxy for skill and lowering the skills threshold to RQF3 is ineffective if the current salary threshold remains. The issue is likely to impact negatively on recruitment and on retention when transitioning EEA nationals into the new system, since a number also make up lower skilled roles at universities compared to non-EEA nationals. The addition of EEA staff to the skilled work route will significantly increase the administrative and resource burden of the sponsored work route even with the positive proposals described in the white paper.
- 5.4 In February 2019 Universities UK, Universities Wales' parent body, called for the salary cap to be set at £21,000 to protect key higher education workers.<sup>15</sup> The Welsh Government commissioned research looking at the impact on Wales if the MAC recommendations were implemented. This research included consideration of an appropriate salary threshold for Tier 2 and suggested that a lower salary threshold for Wales and the UK as a whole should be introduced.
- 5.5 In June 2019 Professor Alan Manning, Chair of the Migration Advisory Committee, was asked<sup>16</sup> by the then Home Secretary, Sajid Javid, for the MAC to be involved with the UK Government engaging with businesses, employers and other stakeholders over the course of 12 months before determining where precisely the thresholds should be set.

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<sup>14</sup> Higher Education Statistics Agency 2017/18 dataset

<sup>15</sup> Universities UK press release, [Universities UK calls for salary cap to be set at £21k to protect key higher education workers](#), February 2019

<sup>16</sup> [Letter from the Home Secretary to the Chair of the MAC](#), June 2019

**6. How well is the EU Settlement Scheme operating? Is there more that the Welsh Government could be doing to ensure that EU nationals resident in Wales are registering under the scheme?**

- 6.1 Higher education institutions were part of the pilot phase of the scheme at the end of 2018. Welsh institutions promoted the scheme and some institutions paid the £65 application fee that was initially charged but discontinued in January 2019.
- 6.2 Institutions were not required to and did not monitor applications to the scheme. Institutions did, however, encourage their staff to apply for settled status via various communications.
- 6.3 Anecdotal feedback from some individuals who applied for pre-settlement and are now eligible for settled status, and that they are having difficulties in making the second application.
- 6.4 The UK Government's intention of ending freedom of movement on 31 October 2019<sup>17</sup>, in the event of a no-deal Brexit, has caused considerable uncertainty for the higher education sector, not least because the policy has been changed on three occasions. The most recent Home Office policy paper<sup>18</sup> was updated on 5 September; it outlines a new European Temporary Leave to Remain (Euro TLR) scheme. The new Euro TLR scheme will require all EU nationals arriving after 31 October 2019 and staying after 31 December 2020 to apply for a free three-year temporary leave to remain visa. This proposal is likely to cause uncertainty for any students studying longer than three years.
- 6.5 If there is clarity on whether we will leave on 31 October, and on what basis, it would be helpful for Welsh Government to launch a media campaign communicating this, what it means and reiterating details of the settled status scheme. The support package announced by Welsh Government in July<sup>19</sup> should be part of the campaign. It would also be helpful for a similar campaign to be run by the UK Government in the EU.

**7. Are there any other issues relating to immigration policy after Brexit that you would like to bring to the attention of the Committee?**

- 7.1 The Home Office established a National Advisory Group which seeks the views of stakeholders from the Devolved Administrations on how the

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<sup>17</sup> BBC news, [Brexit: Freedom of movement plan 'will create chaos'](#), August 2019

<sup>18</sup> UK Government, Home Office, [No deal immigration arrangements for EU citizens arriving after Brexit](#), September 2019

<sup>19</sup> BBC new report, [Brexit: Welsh Government to help EU citizens apply to stay](#), July 2019

current system works and on the new proposals. Universities Wales was invited to join the group in May 2019.

- 7.2 Recommendation 6 from *Wales' future relationship with Europe Part one: a view from Wales* 'that the Welsh Government seeks clarity from the UK Government on the timescales for moving to a future immigration system at the earliest opportunity in order to provide businesses and public sector bodies with much needed certainty on the recruitment issues that they may face in the future'<sup>20</sup> should be reiterated to UK Government.

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<sup>20</sup> External Affairs and Additional Legislation Committee, [Wales' Future Relationship with Europe: part one – a view from Wales](#), March 2018